

## **FISCAL NOTE**

### **SB 2642 – HB 2892**

January 23, 2008

**SUMMARY OF BILL:** Authorizes students who enter ineligible postsecondary institutions after high school, but were initially and otherwise eligible for Tennessee Hope Scholarships, General Assembly Merit Scholarships, or ASPIRE awards, to remain eligible for such scholarships if they transfer to an eligible postsecondary institution within 16 months of completing high school and they meet all academic, as well as, general requirements for the scholarship. Authorizes retroactive awarding of scholarships for any semester of the 2007-2008 academic year.

#### **ESTIMATED FISCAL IMPACT:**

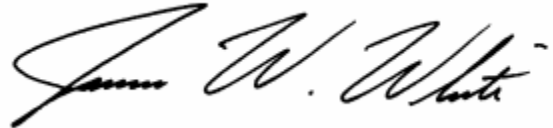
**Other Fiscal Impact – There will be a one-time increase in the expenditure of lottery proceeds estimated to be \$348,000 for FY07-08 due to the proposed retroactive provision. In addition to this one-time expenditure, there will be a recurring increase in the expenditure of lottery proceeds estimated to be \$1,400,000 in FY08-09 and \$1,540,000 in FY09-10.**

#### Assumptions:

- According to the Tennessee Student Assistance Corporation, there were 350 students who attended an ineligible institution in the 2006-2007 academic year that also transferred to an eligible institution in the 2007-2008 academic year.
- The increase of expenditures from lottery proceeds is estimated to be \$1,400,000 (350 students x \$4,000 scholarship = \$1,400,000) for FY08-09.
- It is estimated that an additional 25% (or 87 students) will become eligible due to the retroactive provision of this bill for the 2007-2008 academic year.
- The one-time increase of expenditures from lottery proceeds is estimated to be \$348,000 (87 x \$4,000 = \$348,000) for FY07-08.
- 10% increase in participation during the second year (total of 385 students for FY09-10).
- The increase of expenditures from lottery proceeds is estimated to be \$1,540,000 (385 students x \$4,000 = \$1,540,000) in FY09-10.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc